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C O N F I D E N T I A L BUDAPEST 000276

SIPDIS

DEPARTMENT FOR EUR/FO AND EUR/CE JAMIE LAMORE. PLEASE PASS
TO NSC JEFF HOVENIER AND KHELGERSON

E.O. 12958: DECL: 04/05/2014
TAGS: [PREL](#) [PGOV](#) [PINS](#) [ECON](#) [HU](#)
SUBJECT: HUNGARIAN SUMMER-LIKE WEATHER HEATS UP THE
POLITICAL CLIMATE

REF: BUDAPEST 251 AND PREVIOUS

Classified By: Acting P/E Counsleor Jon Martinson, reasons 1.4 (b,d)

11. (U) Summary. Socialists and Free Democrats agree on Gordon Bajnai as the Prime Minister candidate during weekend meetings. Parliamentary vote scheduled for April 14 to replace resigning Prime Minister Ferenc Gyurcsany. Socialists also elected Ildiko Lendvai to replace Gyurcsany as Party President. New Finance, Social Affairs and Labor, Justice and Law Enforcement, Economic, and Foreign Affairs Ministers anticipated. Large-scale Sunday demonstrations calling for new elections relatively peacefully close out a turbulent Hungarian political weekend. End summary.

12. (U) During their second party congress within a week, 93 percent of the Socialist (MSzP) party delegates voted to support current Economic Minister Gordon Bajnai as their Prime Minister candidate. The congress also elected Parliamentary faction leader Ildiko Lendvai as Party President to replace outgoing PM and current Party President, Ferenc Gyurcsany.

13. (U) Following the MSzP congress, the Free Democrats (SzDSz) National Council voted 61-22 to also support Bajnai's candidacy. With support from both parties, as well as a written commitment of 187 of the 188 MSzP MPs to support his reform measures, which Bajnai demanded as a condition before accepting the nomination, the Socialists will submit their constructive vote-of-no-confidence motion on April 7. The vote on the motion will take place during the next Parliamentary plenary session on April 14, following the Easter recess.

14. (U) Bajnai will need 50 percent plus one vote of those MPs present to be elected Prime Minister. A quorum of 50 percent plus one of the 385 MPs, is required for a valid vote. If all MSzP MPs vote for Bajnai, the party still needs the support of at least five additional MPs for Bajnai to be elected. Currently SzDSz, with its 19 MPs and commitment of Party President Gabor Fodor to support Bajnai, appears ready to join the MSzP and elect Bajnai as PM.

15. (U) Immediately following a successful vote for Bajnai, he will be sworn in as Prime Minister and all sitting cabinet Ministers lose their. Bajnai is expected to officially announce his new ministers following his election. The President of the Republic, Laszlo Solyom, must then sign documents making the new ministers' appointment official; no parliamentary vote is required. Current press reporting indicates that Finance Minister Janos Veres, Social Affairs and Labor Minister Erika Szucs, and Justice and Law Enforcement Minister Tibor Draskovics are likely to be

replaced. Additionally, Bajnai will have to select someone to fill his current position as Economic Minister as well as appoint a new Foreign Minister to replace departing Kinga Góncz.

¶6. (SBU) Under summer-like blue skies, crowds estimated from 25,000-200,000, depending on the political orientation of the reporter, peacefully gathered at historic Heroes Square to call for new elections. (Note. PolOff in attendance at the event estimated the crowd to be in the 10,000-15,000 range. End note.) With the historic red-and-white striped "Arpad" flag, extreme-right-wing party Jobbik flags and the red-white-and green Hungarian national flags fluttering in the breeze, various speakers, mostly center-right or extreme-right, called upon the crowd to oppose Bajnai's election. Later a number of uniformed Magyar Garda members and other radicals proceeded to Parliament, where they confronted a police cordon. Despite the calls of György Budaházy - a well-known radical with several arrests for violent protests - for the Magyar Garda to physically confront the police, the Magyar Garda members declined, leaving the scene with no ensuing violence.

¶7. (C) Comment. The weekend events culminating in Bajnai's expected nomination close one chapter and open another in the turbulent Hungarian political scene. PM Gyurcsány's March 21 announcement to step down as Prime Minister and his March 28 announcement to leave as Party President came as a surprise to many. Bajnai's anticipated election as PM may provide the necessary tools to move Hungary forward on needed structural reforms. The opposition Fidesz party, clamoring since the fall of 2006 for Gyurcsány's resignation, continues to demand early elections, but without providing any specifics as to

how they would deal with the Hungarian economic crisis. On April 6, the Magyar Democratic Forum's vice-president called on Bajnai to implement the necessary, strict measures to address the current crisis and then step down in early fall to allow for new elections. In a meeting last week with PolOff, MSZP vice-president Attila Mesterházy suggested that Bajnai should resign as PM no later than January 2010 in order to allow for elections in March or early April 2010. Mesterházy, accepting that Fidesz will most likely lead the next government, wants Fidesz to have at least six months in power in order to provide an opportunity for real public debate on their handling of the Hungarian economic crisis prior to the fall 2010 local elections. With additional demonstrations anticipated prior to the April 14 vote, as well as a labor movement demonstration on April 18, Post will be watching for weakening MSZP support as MPs have to explain to constituents their vote on specifics of Bajnai's plan.
Levine